

BUFFALO FISCAL STABILITY AUTHORITY
Audit, Finance and Budget Committee Meeting Minutes
March 25, 2021

The following are the minutes from the meeting of the Audit, Finance and Budget Committee (the “Committee”) of the Buffalo Fiscal Stability Authority (the “BFSA”) held on March 25, 2021. The Board met in compliance with New York State Executive Order 202.1, as amended. The meeting was called to order at 12:36 PM.

Committee Members Present

Committee Chair R. Nils Olsen, Jr.
Interim Vice-Chair Jeanette T. Jurasek

Committee Member Excused

Director Frederick G. Floss

Staff Present

Executive Director Jeanette M. Robe
Administrative Assistant Nikita M. Fortune
Principal Analyst/Media Liaison Bryce E. Link
Senior Analyst II/Manager of Technology Nathan D. Miller
Comptroller Claire A. Waldron, CPA

Opening Remarks

Chair Olsen welcomed the attendees to the meeting of the Audit, Finance and Budget Committee of the BFSA and called the roll of members. Finding a quorum present, the meeting commenced.

Approval of Minutes

Chair Olsen introduced AFB Resolution No. 21-01: “Approval of September 23, 2020 Meeting Minutes,” and asked for a motion to approve.

Interim Vice-Chair Jurasek offered a motion to approve the resolution.

Chair Olsen seconded the motion.

The Committee voted 2-0 to approve AFB Resolution No. 21-01.

BFSA 2021-22 Preliminary Budget and 2022-2025 Financial Plan

Chair Olsen introduced the BFSA’s fiscal year (“FY”) 2021-22 Preliminary Budget (the “Preliminary Budget”) and FY 2022-2025 Financial Plan (the “Financial Plan”) as well as an accompanying draft resolution to authorize the posting of the documents for public review. The document is to be posted on the BFSA’s website and provided to all City of Buffalo (“City”) public libraries for the public to review. The purpose is for the document to be made as accessible as possible. Any public comments received will be made available to the Audit, Finance and Budget Committee. The Preliminary Budget has been prepared by the BFSA staff and he gave the floor to Executive Director Jeanette Robe to provide a few comments. Ms. Robe

stated that controlling expenses is always a principle objective when developing the BFSA budget and even more attention to detail was given considering the pandemic and its continued unknown financial impact. Another objective is to provide the City with a stable level for budgeting purposes which was achieved with the year-to-year FY 2022 budget increase of 0.9%, or \$9,134. The projected increases over the four-year financial plan range between 1.8% and 1.9% annually. Ms. Robe thanked the staff for their input on the development of the budget and took questions on the budget.

Interim Vice-Chair Jurasek asked who is responsible for payment for a financial review of a four-year forecast of a covered entity. Ms. Robe stated external expertise has been sought when needed and was paid for by the BFSA under the “other professional fees” category.

Hearing no additional comments, Chair Olsen stated any comments received by Directors in the coming weeks should be forwarded to Ms. Robe who will forward the comments to the Directors and update the budget as necessary. Approval of the budget will be required at the June Board meeting. Chair Olsen asked for a motion to approve AFB Resolution No. 20-02, “Authorize the BFSA to Post the Preliminary 2021-22 Budget and Related Four-year Financial Plan”.

Interim Vice-Chair Jurasek made the motion as requested.

Chair Olsen seconded the motion.

The Committee voted 2 to 0 to approve AFB Resolution No. 21-02.

Approval of BFSA Audit Engagement

Chair Olsen announced the next item of business: approval of Lumsden & McCormick, LLP, as auditors for the BFSA for the current fiscal year ending June 30, 2021. He noted Lumsden & McCormick have provided excellent service over the past several years and had essentially maintained the proposed audit fee with a minor increase of \$300. The firm was originally contracted following a request for proposal.

Chair Olsen introduced AFB Resolution No. 21-03: “Approve Engagement of Lumsden & McCormick, LLP as Independent Auditor of the BFSA for the Fiscal Year Ended June 30, 2021,” and called for a motion to approve.

Interim Vice-Chair Jurasek offered a motion to approve.

Chair Olsen seconded the motion.

The Committee voted 2-0 to approve AFB Resolution No. 21-03.

Review of the BFSA 2021 Internal Controls Review

Chair Olsen advanced the agenda to the BFSA 2021 internal controls review. The annual reporting for the 2021 internal controls review is performed by the appointed Internal Controls Officer, the appointment of which is a statutory requirement. Principal Analyst Bryce Link, serves in this capacity. The purpose of the internal controls review is to ensure that established procedures and processes are adhered to. The BFSA has a staff of five employees. There is oversight of all transactions and the segregation of duties ensures that proper controls are in place. Chair Olsen gave the floor to Mr. Link to report his findings.

Mr. Link stated the BFSA maintains a rigorous system of controls to safeguard the BFSA's assets and assist the BFSA in meeting its mission.

The areas tested for FY 2020-21 were:

- Investment initialization and monitoring: to determine that proper documentation, reporting, and investment policies were established and followed
- Revenue recognition, recording, and transfers: review of the amounts and timing of transactions and any areas that could be vulnerable to fraud

The following processes were additionally reviewed:

- appropriate segregation of duties;
- good governance by posting and following internal policies; and
- looking for potential areas where fraud could occur undetected.

Findings:

- no material findings; and
- adequate segregation of duties limits the prospect of fraud without the collusion of two to three staff members.

Chair Olsen thanked Mr. Link for the presentation and hearing no questions advanced the agenda.

Adjournment

Chair Olsen asked if there was any additional business to be considered by the Committee. Hearing none, he asked for a motion to adjourn.

Interim Vice-Chair Jurasek offered a motion to adjourn.

Chair Olsen seconded the motion.

The Committee voted 2-0 to adjourn the meeting.

The Committee adjourned at 12:50 PM.